Scots. II-37—100,000—21-5-52.

Revenue '1945 46' Department.

M5 SERIES.

G.O. No. 2197

Dated 13-9-48

[Despatch Abstract.]

Tax - Macras General Sales Tax Act, - 1939 - Sale of Articles of clothing etc - by the Police Department - exemption refused.

Book Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
MS	3249	Rev	7.12.80				

REVENUE DEPARTMENT.
Subject.

MADRAS GENERAL SALES TAX ACT - "39- Sales by departments of the Government - Collection of sales tax - Exemption

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Station: Madras. Ref.T. No.4092/48-2. Dated: 2-7-48.

From

Khan Saheb Md. Sultan Mohiuddin Hussain Sahib Bahadur, B.A.,
Additional Joint Secretary, Board of Revenue.

S. Ranganathan, Esq. O.B.E., I.C.S., Commissioner of Land Revenue and Commercial Taxes.

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Read From the Inspector General of Police, Rc.No.1177/SG/47 dated 5-5-48.
Deputy Commissioner (South) L.Dis.900/48 dated 25-5-48.
Deputy Commissioner 1037/48 dated 16-6-48.
Deputy Commissioner (Central) L.Dis,952/48 d/17-6-48.

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REFERENCE:
Submitted to the Government.

2. The Board submits that when there is a sale by the department, it is immaterial for purposes of sales tax, whether the sale is to a person who receives free uniform or otherwise. There is no case for exemption.

3. xxx xxx xxx

Sd. x x x
for Additional Joint Secretary.

To
The Secretary to the Government,
Revenue, Department, - paras 1 and 2 only.
The Inspector General of Police, - para 3 only.

:---oOo---.

Copy of Inspector-General's No.Rc 1177/SG/47 dated 5-5-48.

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Sub: The Madras General Sales Tax Act, 1939 - Sales by departments of Government- Collection of sales tax - Exemption Requested.

Ref: 1.G.O.Ms.No.1968, Revenue, dated 30-10-1945.
2. G.O.Ms.No.218, Revenue, dated 4-2-1946 and
3. Memorandum No. T.2154/45-6 dated 17-7-1947 of the Board of Revenue, Chepauk, Madras.

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According to the orders existing in this department, part-worn clothing, blankets and other articles of equipment may be sold to a head constable or a constable who reuires them to make good deficiencies in his kit, or otherwise for his own use, at a price to be fixed by the District Superintendent of Police, according to the condition of the articles. New clothing is issued only at full cost. They are sold only to those who are entitled to free supply of clothing at Government cost.

2. When the Government permit certain classes of police officers to be supplied, with free clothing at Government cost, selling of articles to those officers to meet deficiencies in kit cannot be treated as "Sale" under the General Sales Tax Act, 1939. Further the number of cases of sale compared to the

sanctioned strength of the police force is negligible.

In the circumstances stated above, I reuest that the ~~said~~ Sale of articles to Policemen be meet deficiencies in kit, may not be taxed, and that this transaction may be exempted from the Madras General Sales Tax Act 1939.

Sd. x x x
for Inspector General of Police.

Copy of L. Dis. 952/49 dated 17-6-1948 from the Deputy Commissioner of Commercial Taxes, Central, Madras.

Sub: Madras General Sales Tax Act - Sales by Police Department - Collection of tax - report submitted.

Ref: From the Board of Revenue, Ref. T.4092/48-1 dated 10-5-48.
From the Board of Revenue, Ref. T.4092/48-2 dated 2-6-48.

The sales of part-worn clothing, balnkets, etc., cited in the first reference are made to Police constables who require them either t make good the deficiencies in their kit or for their private use- These sales do come under the definition of " sale" in the Act. The argument put forth in para 2 of the Inspector General's letter is not acceptable as the supply of clothing is admitted in para 1 to include for private use also.

In para 4 of G.O.1968, Revenue, dated 30-10-45, the Government have ordered that when any department considers that the sale of any articles sold by it should be encouraged, it may recommend that as a special case, the sales tax equivalent be not added to the sale price of the article and, that the Government will pass orders thereon, when other departments of Government charge sales tax on the articles sold the by them, there seems to be no need for any relaxation of rules in the case of Police Department. If the constables go in for the articles in the market, they have to pay to the dealer the price of the article plus the sales tax and the Government will derive revenue on such sales. The grant of exemption to sales of articles to the policemen by the Police Department may be refused.

As regards the sales of condemned articles of stores cited in Board's second reference, there is no case for exemption.

(Sd) M.R. Reddy,
Deputy Commissioner (Central)

/True Copy/

GOVERNMENT OF MADRAS.
Abstract.

Tax . Madras General Sales Tax Act - 1939 - Sales of articles of clothing etc. by the Police Department - exemption - refused.
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Revenue Department.

G.O.Ms.No. 2187. Dated: 13th September 1948.
Read the following:

From the Board of Revenue, Ref. T.No. 4092/48-2, dated 2-7-48.

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ORDER:

The Government agree with the Board of Revenue that the sale of articles of clothing etc. by the Police Department to policemen to meet deficiencies in kit should not be exempted from sales tax.

/By Order of His Excellency the Governor/

Sd. x x x
Secretary to Government

To:
The Board of Revenue.
Copy to the Home Department.

/ True Copy /

R. Thiagarajan 20.12
Office Assistant,
MADRAS RECORD OFFICE

rds/